GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2121
ANSWERED ON:11.08.2006
SRAVANA SAKA CUSTOMER SERVICES IN INSURANCE COMPANIES .
Nikhil Kumar Shri

Will the Minister of FINANCE be pleased to state:

(a) whether the consumers in the country are d ssatisfied with the way their claims are serviced by the public sector insurance companies ;

(b) if so, `he facts and the details thereof ;

(c) whether the faith of consumers towards public sector insurance companies have totally eroded and there is a decline in constmer rating ;

(d) if so, the facts thereof; and

(e) the steps taken by the Government to tone up the functioning of the various public sector insurance companies in the country?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) & (b) : In respect of servicing of claims by public sector general insurance companies, the General Insurers` (Public Sector) Association of Incte (GIPSA) has reported that during the year 2004-05, claims settlement ratio of non-suit claims was at 90.29%. In respect of Life Insurance Corporation of India (LIC), the claim settlement ratio was at 99,86% in 2004-05. It is the endeavour of all the public sector insurance companies to increase the claim settlement ratio and reduce delays; in claim settlement so as to provide maximum satisfaction to its customers.

(c) & (d): The consumer faith in the GiPSA Companies is manifested by the fact that the gross direct premium income has grown by 7.01% in 2005-06. National Insurance Company Limited (NICL) and New India Assurance Company Limited (NIACL) lave been jointly awarded `CNBC Awaaz award` for most preferred non-life insurance companies. LIC has also been awarded as the `No.1 Service EJrand` consecutively for the lasl three years and considered as `preferred insurance company1 in India. LIC has also won the NDTV Profit `Business Leader in Insurance1 Award in 2006. .

(e): The Government has taken steps to monitor performance of the companies by way of Letter of Intent (LOI) that has been signed with all`public sector insurance companies, which inter-alia includes compliance of targets in settlement of claims and a great emphasis on Customer Relations Management (CRM).